

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LEVEE ROAD WATER ASSOCIATION)	
)	
_____)	CASE NO. 95-129
)	
ALLEGED VIOLATION OF COMMISSION)	
REGULATION 807 KAR 5:066)	

O R D E R

This case is established for the sole purpose of considering a Settlement Agreement entered between Commission Staff and Levee Road Water Association ("Levee"). The Settlement Agreement arises as a result of several discussions between Levee and Commission Staff regarding Levee's failure to periodically inspect all of its meters -- a violation of Commission regulation 807 KAR 5:066, Section 16(1). As a result of those discussions, Commission Staff and Levee have agreed to a penalty in the amount of Five Hundred Dollars (\$500.00). One Hundred and Fifty Dollars (\$150.00) of this penalty shall be paid in full to the Kentucky State Treasurer within ten (10) days from the date of this Order. The remaining Three Hundred and Fifty Dollars (\$350.00) shall be suspended for a period of one (1) year from the date of this Order.

After consideration of the Settlement Agreement, its terms and the severity of the violation addressed therein, the Commission finds that the Settlement Agreement represents a reasonable resolution of our informal investigation and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, attached hereto and incorporated herein as Appendix A, be and it hereby is adopted and approved in its entirety as a complete resolution of all issues and charges in this case.

2. Levee is hereby assessed a penalty of Five Hundred Dollars (\$500.00) of which One Hundred and Fifty Dollars (\$150.00) shall be paid by certified check or money order made payable to the Kentucky State Treasurer within ten (10) days from the date of this Order and mailed to the Office of General Counsel, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

3. Three Hundred and Fifty Dollars (\$350.00) of the Five Hundred Dollar (\$500.00) penalty shall be suspended for a period of one (1) year from the date of this Order. If, at the end of the one-year period, Levee has fully complied with the terms of the Settlement Agreement and all Commission regulations, this portion of the penalty shall be vacated. If, at any time during that period, Levee fails to comply with the terms of the Settlement Agreement or any Commission regulation, the remaining Three Hundred and Fifty Dollars (\$350.00) shall become due and payable immediately.

Done at Frankfort, Kentucky, this 17th day of August, 1995.

ATTEST:

Don Mills
Executive Director

PUBLIC SERVICE COMMISSION

[Signature]
Chairman

Robert M. Davis
Vice Chairman

Linda K. Breakholt
Commissioner

RECEIVED

JUL - 7 1995

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LEVEE ROAD WATER ASSOCIATION

ALLEGED VIOLATION OF COMMISSION
REGULATION 807 KAR 5:066

)
)
)
) CASE NO. 95-129
)
)
)

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 30 day of June, 1995, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and LEVEE ROAD WATER ASSOCIATION ("Levee").

W I T N E S S E T H :

THAT, WHEREAS, the Commission Staff issued a Utility Inspection Report dated November 7, 1994 ("Inspection Report") describing the results of an inspection of Levee's facilities and records conducted on November 2, 1994; and

WHEREAS, Commission Staff noted a deficiency in its Inspection Report: Levee had not tested approximately 122 meters - a violation of 807 KAR 5:066, Section 16(1); and

WHEREAS, Levee and Commission Staff have agreed to the following factual matters:

1. The deficiency noted in the Inspection Report existed at the time of the inspection; and

2. From January 1, 1987 to May 1, 1995, the Commission received from Levee only five of 33 required quarterly meter testing reports; and

WHEREAS, Levee and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, Levee and Commission Staff agree that:

1. Levee shall periodically test all of its meters in accordance with Commission Regulation 807 KAR 5:066, Section 16(1).

2. Levee shall timely file periodic meter reports in accordance with Commission Regulation 807 KAR 5:006, Section 3(2).

3. The Commission shall assess Levee a penalty of Five Hundred Dollars (\$500.00) for its violations of Commission regulations. One Hundred and Fifty Dollars (\$150.00) of this penalty shall be paid in full within ten (10) days of entry of an order approving this Settlement Agreement. A certified check in the amount of One Hundred and Fifty Dollars (\$150.00) shall be made payable to the Kentucky State Treasurer and delivered to the Office of General Counsel, Public Service Commission 730 Schenkel Lane, Frankfort, Kentucky 40601.

4. Three Hundred and Fifty Dollars (\$350.00) of the Five Hundred Dollar (\$500.00) penalty shall be suspended for a period of one (1) year. If, at the end of one year, Levee has fully complied with this Settlement Agreement and all Commission regulations, this portion of the penalty shall be vacated. If, at any time during that period, Levee fails to comply with the terms of this Settlement Agreement or any Commission regulation, the remaining

Three Hundred and Fifty Dollars (\$350.00) shall become due and payable immediately.

5. This Settlement Agreement is subject to the acceptance of and approval by the Public Service Commission.

6. This Settlement Agreement constitutes full satisfaction of any penalties against Levee arising out of this proceeding.

7. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

8. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, Levee shall not apply for rehearing in this proceeding nor bring an action for review of that order.

9. The signatories agree that the foregoing Settlement Agreement is reasonable, not contrary to regulatory principals or the law, is in the best interest of all concerned, and urge the Commission to adopt the Settlement Agreement in its entirety.

AGREED TO BY:

Levee Road Water Association

By

Brenda S. Murphy

Public Service Commission Staff

By

W. H. Hume Skade